

Part of the proposed projects have been completed and remarkable results obtained already. This industry was bolstered greatly by refugees from Czechoslovakia.

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Within the scope of the investment programs 100 million schillings were allotted in 1950 to the erection of general dwelling units. In addition to a sum of 11 million schillings provided out of public funds, 34 million schillings were allocated for erection of workers' dwelling units. (The proposed amount in the three year period for workers' dwelling units was 85 million schillings.)

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e) Investments for agriculture and forestry.

Damages caused by the war to this important source of supply (through exhausting the soil, lack of fertilizers and pest control, overcutting, etc.) can be restored only gradually. Because of the increased use of tools of production, financed by ERP funds, it was possible to reach a higher gross production value in the years 1948 and 1949. However, it still lagged behind the volume of industrial production which by 1949 had exceeded the prewar level. The higher production in agriculture in 1948 and 1949 made available bigger supplies of foodstuffs for city dwellers and also made it possible to increase the decimated livestock and improve it. Thus, gaps in supplies of milk, meat and fats could be filled in.

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These improved results would not have been impossible without the ERP aid. In the first plan-year, Austria had at its disposal a total of 156 million dollars (or 57 per cent of the total amount of the ERP aid) to increase the production in agriculture, small business and industry. A sum of 18.7 million dollars was allotted to agriculture and supplied 139,000 tons of fodder, 189,000 tons of fertilizers, 4,200 tons of seeds, as well as agricultural machinery and veterinary supplies amounting to 1.1 million dollars. In the second year of the plan agriculture and forestry received approximately 25 million dollars for the import of tractors, caterpillars, threshing machines, reapers, motorized plows, disk harrows, replacement parts, milk separators, and machinery for soil treatment (and also to finance means of conveyance and facilities for forestry).

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Eger-Lienz: Dance of Death.

differ from valley to valley and often from village to village. Strong, blond giants are to be found side by side with dark-haired, slender, agile men. In a few disproportionately-built men and women lives on the race of the giants of legend.

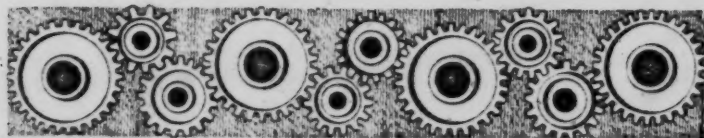
As the peasant, so his cattle. In the valley of the Lower Inn the cattle are heavily built and piebald; in the Upper Inn Valley there is a lightly built, grey type, rich in milk, growing in grace and agility as the pasturage becomes more scanty and difficult of access.

In the mountain villages and remote enclaves there still survive many individual specimens of breeds which are otherwise becoming extinct.

342 The inhabitant of the valley of the Upper Inn builds his house of stone, he of
592 Lower of wood. The one keeps house and farm undivided, the other divides up
184 the farm and even the house, so that not only may several families live under one roof, but in the four corners of a large kitchen there are sometimes four ranges, each belonging to a different person who is expected to keep within the imaginary lines which mark out his own share of the floor. The Lower Inn rings with laughter and song and no one is ashamed of an illegitimate child. The inhabitant of the Upper Inn is reserved and sparing of speech; with him, the smouldering of no less violent passions is not easily to be detected.

197 There are many varieties of dialect. The people of the Ötztal call "Ferner"
184 what those of the Zillertal name "Kees" and which are called: "Gletscher"—glaciers—only by the town-dwellers. The drawling and slurred vowel sounds, the clipped nasal consonants of the mountain dwellers, recall the speech of Latin races. The accent of the lowlander, in contrast, is graceful and often almost affected. In the broad valleys branching off from the main Inn Valley the inhabitants of the inner and outer valleys have little in common. In the Gschnitztal, for instance, Trins is a Romanish settlement, whereas Gschnitz at the foot of the valley is of German origin. One consequence of all this is that anyone who moves from his own parish, even if only to a neighbouring one, is regarded all his lifetime as an "immigrant".

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439 Trade stagnation lasted until the middle of the 1930s, when the armament
648 programme of the Axis Powers, Germany and Italy, was launched, to be followed gradually by an armaments race between all the world's most important trading countries. Austria was excluded from the development which led to the catastrophe of the Second World War, firstly through her political differences with the Third Reich (which answered by a cruel economic boycott in order to force Austria to her knees)-and secondly on account of her economic structure, which was suited to the production of peace-time goods but not to that of armaments.

Austria had to make a tireless and purposeful search for new markets before she succeeded in forming and consolidating foreign trade connections with distant territories—the United States of America, British India, Japan, China and the Argentine. If this development had not been interrupted by the occupation of Austria in 1938, the results of Austria's successful attempts to revive her foreign trade would doubtless have soon been apparent in the growth of typically Austrian exports.

Even though the visible results of this change of direction may seem modest, it must not be overlooked that parallel with the deleterious results for Austria of the protectionist policies pursued abroad, there were serious internal problems of economic reconstruction to be solved. One of these was and still is the structure and the development of agriculture.

241 For many reasons unconnected with economics, but also in order to increase home
439 supplies of the chief articles of food, agricultural development was encouraged. The most important changes in agricultural production were brought about, particularly in the years 1930 and 1931, by radical economic-political measures. The customs tariffs for these years showed a considerable increase of duties on grain, flour, sugar, cattle and meat, the protective tariffs being even further increased in the following years. The resulting rise in prices meant an increase of cultivated areas and the production of the most important kinds of grain.

231 A further far-reaching measure affecting cattle raising was the regulation of imports
439 of cattle and meat through the setting up of tariff barriers against the most important
654 of the neighbouring States. Apart from this, in April 1932 the import of the most widely sold types of cattle and cattle products was forbidden.

The increase in production resulting from all these measures was bound to increase the difficulties of marketing during the slump. In pig-raising it at last became necessary to resort to curtailment of output (prohibition of pig-raising for the market). An attempt was also made to increase the costs of cattle-rearing and thus limit the supply by raising the so-called licence fee for the import of fodder.

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As a stimulant of milk production, a milk-equalisation fund was created to content with sales difficulties, through which the means for the export of dairy products at prices below production costs were raised by the imposition of a tax on fresh milk.

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Thus it came about that in the 1930s Austrian products such as standard butter, high grades of cheese and cream could compete successfully on the markets with the dairy products of such leading countries as Denmark, Switzerland and Holland. The western alpine provinces especially profited by this arrangement, but at the same time a great demand was created for home milk products throughout the whole country. Gradually, in the Danube City which has been known from Roman times for its enjoyment of sweet wines, depôts were established where milk could be drunk in the busy streets and on public squares, giving the City a new attraction.

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The doubtless necessary encouragement of dairy farming, just at this time, however, brought with it new problems which were aggravated by the effect of the world economic depression. The situation was made worse by the fact that the prices for agricultural and dairy products had sunk far lower than the prices for technical aids to agriculture. The discrepancy between these two sets of prices became still greater from 1933 to 1937. The comparative fixity of wages and the increase in public debts accompanied by sinking prices were not inconsiderable factors in bringing about general deterioration.

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Problems of agrarian policy were bound to have a reaction on industrial-commercial economics. Austrian products had to compete with those of countries which had the advantage of considerably lower agricultural prices and thus of a lower cost of living. For a land such as Austria, which in the main can only secure the goods she needs through the export of her own products, it is essential that wages, an important factor in costs, should not be affected too unfavourably by the high price of grain.

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